

### Introduction Section

#### **Children Under 14 With More Than \$1,800 of Investment Income**

State and federal rules differ for children under age 18 who received more than \$1,800 of investment income in 2008. In California, the rule applies to children under age 14. For federal, the rule applies to children under age 18. California and federal income amounts conform. The taxpayer must complete Form 540 (or 540NR) and form FTB 3800, *Tax Computation for Children with Investment Income*, or form FTB 3803, *Parents' Election to Report Child's Interest and Dividends*.

#### **Deceased Taxpayers**

If a return is normally required, file a final return for individuals who died during 2008.

If there is no administrator or executor appointed, file a joint return with the surviving spouse as long as the spouse did not remarry during 2008. Write "surviving spouse" next to their signature on the return.

If your client is not the surviving spouse, and claims a refund due to a deceased taxpayer, attach to the return federal Form 1310, *Statement of Person Claiming Refund Due a Deceased Taxpayer*, and a copy of the death certificate.

#### **Rounding**

Please round cents to the nearest whole dollar. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents up to the next dollar. If you add two or more sums to figure the amount to enter on a line, include cents when adding and round only the total.

#### **California Income Tax Returns**

There are five state income tax forms for California:

- \* 540 2EZ - For full-year residents
- \* 540A - For full-year residents
- \* 540 - For full-year residents
- \* 540NR – *Long Form* for part-year residents and nonresidents
- \* 540NR – *Short Form* for part-year residents and nonresidents

This manual covers instructions for:

- \* Form 540
- \* Form 3506
- \* TaxWise Tips
- \* Volunteer Procedures

#### **CALIFORNIA TAX FORMS ON THE INTERNET**

Download, view, and print California income tax forms and publications at **ftb.ca.gov**.